

5-11-10, On The Ropes: Kanjorski Scolded on CNBC's Fannie/Freddie Reform "Too Complicated"

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Despite the memo-writing efforts of Chairman Frank to drown out the calls for housing finance reform in the financial regulatory reform bill, nobody's buying the Democrats' spin. Just ask Rep. Paul Kanjorski - the Chairman of the House Financial Services Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises - who had a tough morning trying to defend the two GSEs that were one of the root causes of the crisis. As the guest host on CNBC's Squawk Box, Kanjorski was berated by the on-air editor Rick Santelli, who shared a bit of a history lesson on the GSEs' critical involvement in the mortgage market meltdown.

We'd fact check this, but looks like Santelli already has it covered. Fannie/Freddie "debate" starts at 4:10 and Santelli gets going at 6:40. [CNBC VIDEO](#)

Kanjorski Clip - "It's Too Complicated" (rough transcript below)

KANJORSKI: Let me say that we are including them in the reform. That's another...

SANTELLI: Come on.

KANJORSKI: ...misnomer. We are going to do Fannie and Freddie reform. We can't do it in the present bill.

SANTELLI: Right...just not now. After the election.

KANJORSKI: No, no, no. Nothing to do with the election.

SANTELLI: Of course not.

KANJORSKI: It's too complicated. Already people are complaining it is a 1,600 page bill.

SANTELLI: It's too complicated? You think taxpayers that go to work to pay the money you are subsidizing, it will end up a half a trillion, do you think they think complicated is an excuse?

KANJORSKI: They did with the health care act. That was part of the reaction they had. We have to --

SANTELLI: Right. That was too complicated. We have all these unintended consequences. You know, one line in the '99 regulations created a lot of the over-the-counter derivatives. 26 pages of those one-liners. It would make Henry Youngman rise up from his grave.

Also worth noting - the NY Times reports today that Democrats are having a tough time keeping housing finance out of reform while Fannie and Freddie just requested nearly \$20 billion of more taxpayer funds. Yet the Democrats continue to punt any idea of reform to after the election. What are they waiting for?

For a timeline of Democrats' inaction on Fannie and Freddie since the bailout [click here](#).

To view the House Republican financial reform plan [click here](#).

For the House Republican principles for GSE reform, [click here](#).

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